

Summary of the Legislation

Sec. 7001. Extension of Vessel Tonnage Duties.

This provision temporarily increases the existing vessel tonnage duties that are imposed on the cargo-carrying capacity of vessels that enter the United States from any foreign port or place, or depart from and return to a United States port or place on a "voyage to nowhere." They are assessed regardless of whether the vessel is empty or carrying cargo. These fees are intended to offset the cost of activities performed by the U.S. Coast Guard that benefit these vessels, such as marine safety, search and rescue, and aids to navigation. The Coast Guard spends far more on these activities than is currently being collected by this fee, or would be collected under this proposal.

The fees were originally imposed in 1909. A tonnage duty of 2 cents per ton, not to exceed 10 cents per ton in a single year, was imposed on vessels arriving in the United States from foreign ports in North America, Central America, the West India Islands, the Bahama Islands, and Newfoundland. A duty of 6 cents per ton, not to exceed 30 cents per ton in a single year, was imposed for vessels arriving in the United States from foreign ports anywhere else in the world.

In 1990, the 2 cents per ton duty was raised to 9 cents per ton, not to exceed 45 cents per ton in a single year, and the 6 cent duty was raised to 27 cents per ton, not to exceed \$1.35 cents per ton in a single year. The 1990 amendments also applied the fee to those vessels (except vessels of the United States, recreational vessels, and barges) returning from a "voyage to nowhere." These fee increases were extended twice (in 1993 and 1997), but expired in 2002.

For fiscal years 2006 through 2010, this provision increases the 2 cent duty to 4.5 cents per ton, not to exceed 22.5 cents per ton in a single year, and the 6 cent duty to 13.5 cents per ton, not to exceed 67.5 cents per ton in a single year.

Section-by-Section Analysis

Sec. 7001. Extension of Vessel Tonnage Duties.

This section temporarily increases the vessel tonnage duties paid by vessels entering the U.S. from any port or place, and certain vessels departing from and returning to a U.S. port or place on a "voyage to nowhere." Specifically, this provision increases the vessel tonnage duty paid by vessels arriving in the U.S. from a foreign port in the northern Western Hemisphere, and by a vessel returning from a "voyage to nowhere," to 4.5 cents per ton, not to exceed 22.5 cents per ton in a single year. In addition, this provision increases the vessel tonnage duty paid by vessels arriving from a foreign port anywhere else in the world to 13.5 cents per ton, not to exceed 67.5 cents per ton in a single year. These increased rates will be in effect for fiscal years 2006 through 2010.

Summary of Committee Votes

The Committee on Transportation and Infrastructure held a full committee markup on October 26, 2005. The committee print was adopted by voice vote.

Roll Call Votes

Clause 3(b) of rule XIII of the House of Representatives requires each committee report to include the total number of votes cast for and against on each roll call vote on a motion to report and on any amendment offered to the measure or matter, and the names of those members voting for and against. There were no roll call votes during consideration of the bill.

Committee Oversight Findings

With respect to the requirements of clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee's oversight findings and recommendations are reflected in this report.

Cost of Legislation

Clause 3(c)(2) of rule XIII of the Rules of the House of Representatives does not apply where a cost estimate and comparison prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act of 1974 has been timely submitted prior to the filing of the report and is included in the report. Such a cost estimate is included in this report.

Compliance with House Rule XIII

1. With respect to the requirement of clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, and 308(a) of the Congressional Budget Act of 1974, the Committee references the report of the Congressional Budget Office included below.
2. With respect to the requirement of clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the performance goals and objective of this legislation are to ensure that users of U.S. ports contribute toward the cost of U.S. Coast Guard safety and navigation activities benefiting these users.
3. With respect to the requirement of clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 402 of the Congressional Budget Act of 1974, the Committee has received the following cost estimate for the Committee Print from the Director of the Congressional Budget Office.

Constitutional Authority Statement

Pursuant to clause (3)(d)(1) of rule XIII of the Rules of the House of Representatives, committee reports on a bill or joint resolution of a public character shall include a statement citing the specific powers granted to the Congress in the Constitution to enact the measure. The Committee on Transportation and Infrastructure finds that Congress has the authority to enact this measure pursuant to its powers granted under article I, section 8 of the Constitution.